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Year-Long Study Completed

Blue Ribbon Defense Panel Issues Recommendations

* * *

Sec. Laird Comments On Panel's Study; Stresses Equal Employment Opportunity

After discussions with President Nixon at San Clemente, Calif., July 27, Secretary of Defense Melvin R. Laird returned to Washington and issued the following statements July 28 concerning the Blue Ribbon Defense Panel Report, and Equal Employment Opportunity.

"I want to thank Chairman Gilbert W. Fitzhugh and the members of the Blue Ribbon Defense Panel for their contribution of a year of hard work and penetrating study in examining the organization and management of the Department of Defense.

"When I was in the Congress, I saw the need for an independent look at the Department of Defense and urged the

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VIETNAMIZATION—In Saigon, Secretary of the Navy John H. Chafee and Republic of Vietnam Minister of Defense, Lieutenant General Nguyen Van Vy sign documents for transfer of 273 U.S. Navy river patrol boats to the RVN Navy. Observing is RVN Chief of Naval Operations Commodore Tran Van Chon. (See Story On Page Six)

The Blue Ribbon Defense Panel has made 113 numbered recommendations to President Nixon for changes in the organization and procedures of the Department of Defense.

Results of the Panel's one-year study, chaired by Mr. Gilbert W. Fitzhugh, were released July 27. The study was completed July 1 and delivered to President Nixon July 15.

Mr. Fitzhugh said, "The report does not enter the field of national policy, but makes recommendations we believe could cause important improvements in the effectiveness of the Department of Defense. Major areas covered in the report include organization, command and control, procurement, research and development, intelligence, personnel policies and practices, and conflicts of interest.

RECOMMENDATIONS TO IMPROVE EFFICIENCY

"The objective of the study was not to devise ways and means to save money, per se; it was rather an attempt to discover the causes of shortcomings and to devise and recommend changes in organization and procedures which appear to have potential for increasing the efficiency of the Department of Defense."

The Chairman stated that if the Panel's recommendations are made effective, "we anticipate substantial ultimate reductions in dollars and personnel in both military and civilian areas," but said that "such savings as result from increased efficiency will be realized principally in the long term, rather than the short term."

Chairman Fitzhugh added, "The recommendations of the Panel are not and could not be designed to support immediate budget reductions."

On release of the report, Mr. Fitzhugh said, "Throughout our study and our report we have concentrated on problem areas, rather than in areas in which operations appear to be conducted efficiently and responsibly. Many things are done well in the Department of Defense, and we are conscious that our report, because it is problem oriented, reflects a lack of balance of the positive with the negative aspects. We hope it will be accepted by all as a timely and a constructive contribution, and will not be used by anyone to exacerbate present tensions and differences of opinion."

Mr. Fitzhugh expressed enthusiasm for the cooperation of

(Continued On Page Three)

Members Of The Blue Ribbon Defense Panel

Gilbert W. Fitzhugh, Chairman
Chairman of Board, Metropolitan Life Insurance Company

Dr. Martha E. Peterson*
President, Barnard College,
Columbia University

Mrs. Leona P. Thurman
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William Blackie
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George Champion
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William P. Clements, Jr.
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John M. Fluke
President, John Fluke
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Dr. Marvin L. Goldberger**
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Princeton University

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Teledyne Ryan Aeronautical

Lane Kirkland
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Institutions, University of Chicago

Claude Young
Office of Commissioner
Professional Football

*Found it necessary to terminate her services on the Panel due to press of duties as President of Barnard College.

**Found it necessary to terminate his services on the Panel due to illness.

Panel Recommends Major Organizational Changes

(Continued From Page One)

the personnel of the Defense Department, and said, "The Panel received excellent cooperation and inputs from both within and outside the department. The Secretary of Defense made sure that the Panel experienced no limitations on its access to records and people of the department. The attitudes of the department personnel almost unanimously reflected interest and a desire to assist in improving the effectiveness of the department."

He noted, "Our observation of the department's operation indicates that efforts to improve its organization and management were not generally inhibited or postponed while the study was in progress. Although this provided the Panel with a moving target, we welcomed the changes and the concern and sense of responsibility within the Department of Defense which prompted them."

COMMENDS OFFICERS, ENLISTED MEN

In the letter of transmittal to President Nixon, Mr. Fitzhugh observed that "from my extensive year-long exposure to our military and civilian leaders in the Department of Defense and in Washington, and to our fighting men in Europe, the Mediterranean, and Southeast Asia, I have been deeply impressed—and this applies both to the officers and enlisted men—with their competence and dedication to duty, as they see it.

"The Panel found many things that we believed should be corrected, but believes, and I agree, that many of the difficulties result from the structure of the Department of Defense itself, which almost inevitably leads people into 'adversary' relationships rather than toward cooperation in the interest of the department—and the Nation—as a whole. I hope the Panel's recommendations will not be considered criticisms of individuals, but will help to restructure the department and 'the bureaucracy' so that the talent and dedication of the fine people, both military and civilian, can be unleashed and redirected to accomplish more effectively the basic objectives of the Department of Defense and the Nation."

Recommendations in the report are based on fundamental findings by the Panel that:

(1) Effective civilian control is impaired by a generally excessive centralization of decision-making authority at the level of the Secretary of Defense. Indeed, attempts to overcentralize decision making at the top seriously impair a Secretary's capability to exercise effective control. Under such circumstances, far too many decisions go unmade, critical issues are not addressed, problems are deferred and the principle of personal accountability is lost in the diffused maze of "staff coordination."

(2) Effective civilian control and management, however, do not require that the Secretary of Defense make all, or even a major proportion, of the innumerable decisions necessary for the operation of the department.

(3) The alternative is for the Secretary to delegate substantial decision-making authority and all executory functions to subordinate levels of authority.

(4) Effective civilian control, appropriate delegation of authority, and decentralization of management cannot be effectively accomplished in the present organizational structure of the department.

"Presently, there is no one below the Secretary/Deputy Secretary level with an appropriate purview to whom the Secretary can delegate," Mr. Fitzhugh added.

He noted that the recommendations of the report directed at organizational matters are intended to so restructure the department as to make possible more effective decentralization and delegation of authority and responsibility with an accompanying increase in personal accountability of those to whom authority is delegated. "Sound management," Mr. Fitzhugh stated, "requires that individuals be responsible for the totality of a function which is narrow enough to be manageable, rather than having some portion of the responsibility and authority in a large number of functions."

In its report, the Panel proposed some major organizational changes including recommendations that:

- The various functions of the Department be placed in three major groups—Management of Resources, Evaluation, and Operations—each headed by a Deputy Secretary of Defense.
- The functions of the Director, Defense Research and Engineering be allocated among three Assistant Secretaries of Defense—Research and Advanced Technology, Engineering Development, and Test and Evaluation.
- The staffing of military operations for the Secretary of Defense be performed by a separate staff from the Joint Chiefs of Staff and that positions associated with that function on the Joint Staff and the Service staffs be eliminated.
- All strategic offensive and strategic defensive forces be consolidated into a Strategic Command.
- All general purpose forces be consolidated into a Tactical Command and that three present Unified Commands be eliminated in the consolidation—Southern, Alaskan, and either Atlantic or Strike.
- A Logistics Command be established to exercise for all combatant forces supervision of support activities, including supply distribution, maintenance, traffic management and transportation.
- An independent Defense Test Agency be created to perform the functions of overview of all Defense test and evaluation.
- The Defense Atomic Support Agency be disestablished.
- A Net Assessments Group and a Long-Range Planning Group be created reporting directly to the Secretary of Defense.
- The administrative and facilities support of the Washington Headquarters elements of the Defense Department be consolidated.
- The position of Assistant Secretary of Defense (Administration) be abolished.
- Major reductions be made in Washington Headquarters staffs and other staffs, with the OSD and Military Department staffs limited to not more than 2,000 personnel each.

With respect to development and acquisition of weapons and other hardware, Mr. Fitzhugh stated that the Panel found

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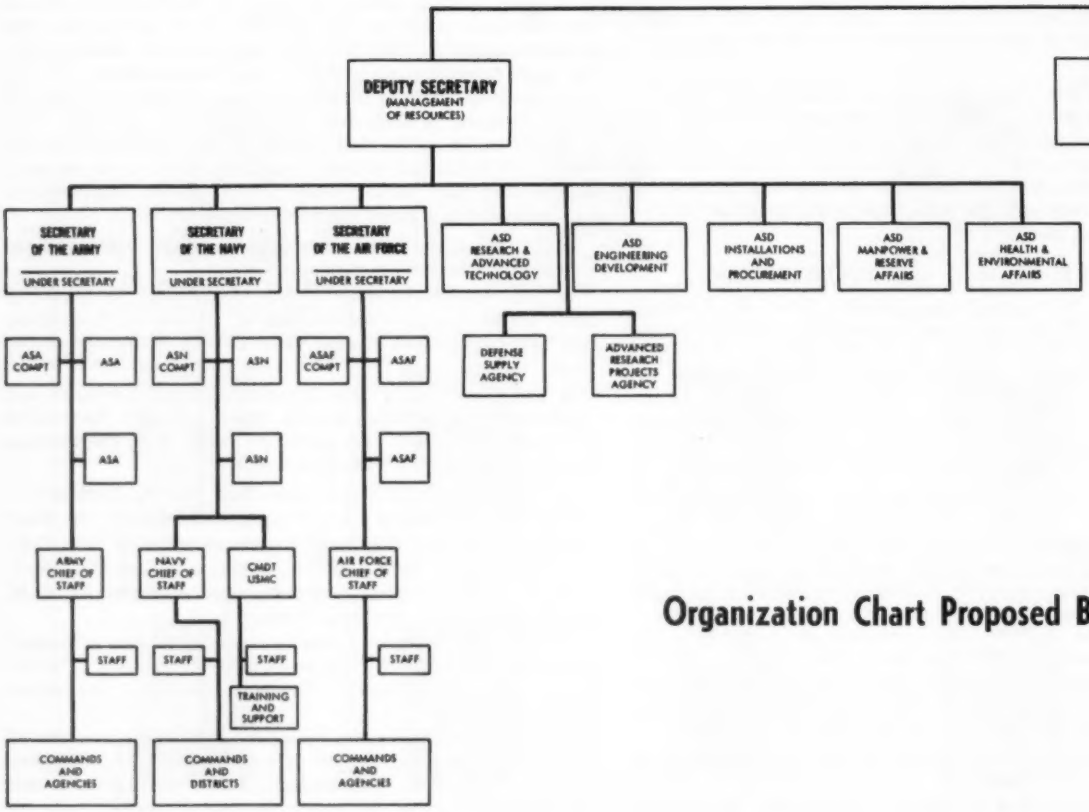

Organization Chart Proposed By Blue Ribbon

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the department's policies have contributed to serious cost overruns, schedule slippages and performance deficiencies. "The difficulties do not appear amenable to a few simple cure-alls," Mr. Fitzhugh said, "but require many interrelated changes in organization and procedures." Recommendations for such changes are included in the report. One recommendation proposes:

"A new development policy for weapon systems and other hardware should be formulated and promulgated to cause a reduction of technical risks through demonstrated hardware before full-scale development, and to provide the needed flexibility in acquisition strategies."

The new policy should provide for:

—Exploratory and advanced development of selected subsystems and components independent of the development of weapon systems.

—The use of government laboratories and contractors to develop selected sub-systems and components on a long-term level of effort basis.

—More use of competitive prototypes and less reliance on paper studies.

—Selected lengthening of production schedules, keeping the system in production over a greater period of time.

—A general rule against concurrent development and production efforts, with the production decision deferred until successful demonstration of developmental prototypes.

—Continued trade-off between new weapon systems and modifications to existing weapon systems currently in production.

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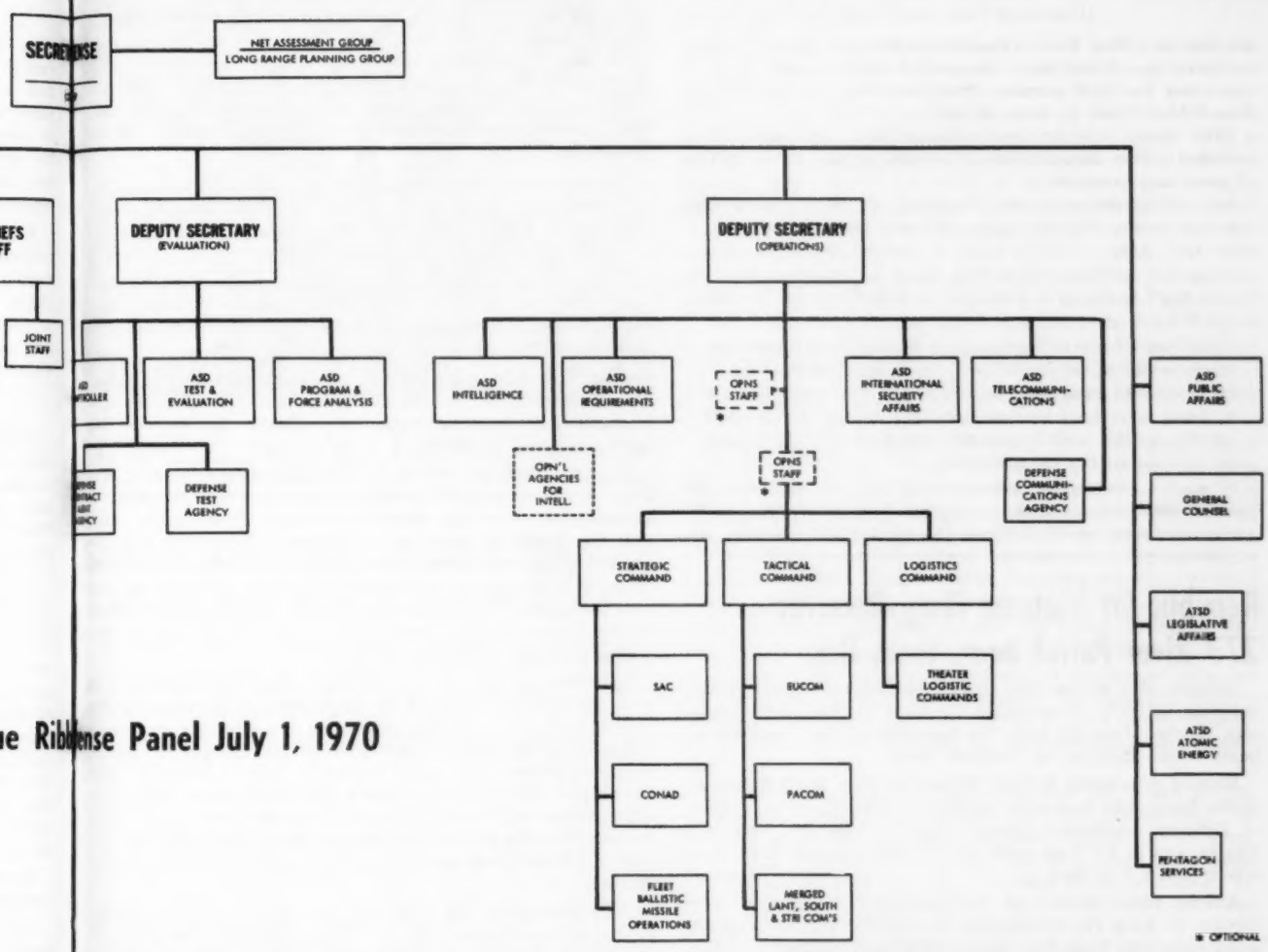

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—Stricter limitations of elements of systems to essentials to eliminate "gold-plating."

—Flexibility in selecting type of contract most appropriate for development and the assessment of the technical risks involved.

—Flexibility in the application of a requirement for formal contract definition, in recognition of its inapplicability to many developments.

—Assurance of such matters as maintainability, reliability, etc., by means other than detailed documentation by contractors as a part of design proposals.

—Appropriate planning early in the development cycle for subsequent test and evaluation, and effective transition to the test and evaluation phase.

—A prohibition of total package procurement.

Other areas and activities covered by the report include: Automatic Data Processing; Defense Laboratories and Test Centers; the Planning, Programming and Budgeting System (PPBS); Equal Employment Opportunity; Contract Compliance for Equal Employment Opportunity; Public Affairs; Program Management; Cost Estimating; Industry Weaknesses; Industrial Mobilization Base; Selected Acquisition Reports; Accounting Procedures; Internal Auditing; Logistics Guidance; the Rotation, Promotion, Compensation, Accession and Retention of Military Personnel; Civilian Personnel; Telecommunications; External Relations; Industrial Relations; Military Installations; Domestic Action; Military-Industrial Complex; Physical Security in Pentagon; Conflicts of Interest and Office of Civil Defense.

Secretary Laird Calls For Improved Equal Employment Opportunity

(Continued From Page One)

creation of a Blue Ribbon Panel. Shortly after assuming office as Secretary of Defense, I announced that a panel would be appointed for this purpose. President Nixon appointed the Blue Ribbon Panel on June 30, 1969.

"The study, constructive criticism and recommendations provided to the Department of Defense by the Panel will be of great assistance to us.

"At the direction of the President, we have put a high priority on the Panel's report. We will give it urgent consideration. Actions will be taken to correct deficiencies found, such as our decision to approach major procurement on a 'fly before buy" basis, as I discussed at San Clemente yesterday (July 27)."

(In San Clemente Secretary Laird said that future contracts would be negotiated on a "fly before you buy" basis. He said that before going forward with a contract "we will be doing more tests and evaluation." We will be checking out the systems well in advance, and we will be flying aircraft before we buy the aircraft.)

"I want to announce further today, that, as recommended by the Blue Ribbon Defense Panel, I have instructed the Assistant Secretary of Defense (Manpower and Reserve Affairs) to provide minority employment trends for all administrative elements in the department for my personal review, and to initiate corrective actions as required. I have also initiated a review of the complaints procedure. We must be sure that each person in the Department of Defense, civilian and military, receives equal consideration for employment and for promotion."

Following is Secretary Laird's memorandum to Assistant Secretary of Defense (Manpower and Reserve Affairs) Roger T. Kelley concerning "Equal Employment Opportunity within the Department of Defense":

"I am aware of the progress which has been made under your direction in improving equal employment opportunity throughout the Department of Defense. However, more needs to be done. Priority action is essential.

"The Blue Ribbon Defense Panel states in their report that the Department of Defense has promulgated a comprehensive program for assuring equal employment opportunity, but implementation leaves much to be desired.

"I desire that you review the existing Department of Defense directives and, if necessary, prepare a new directive or amendments to existing directives to make it absolutely clear that the Assistant Secretary of Defense (Manpower and Reserve Affairs) is responsible for policy formulation in the area of equal employment opportunity within the department and also for monitoring the programs of the department to assure proper implementation. I would like to have the results of this review not later than Aug. 28, 1970.

"At the same time, I want to know what the situation is in each administrative unit of the department with regard to the extent of employment and promotion for minority groups in the so-called 'blue collar' and 'white collar' categories. Please prepare a preliminary report for me by Sept. 1, 1970, and take the necessary action to see that I get a full report each quarter starting Jan. 1, 1971. This full report should show equal opportunity trends, identify problem areas, and indicate corrective actions which are planned and how they will be implemented.

"The procedures for handling complaints of discrimination regarding employment and promotion continue to be a source of concern. Please review the complaints procedures of each administrative unit of the department and prepare for me a report on existing deficiencies and proposed plans for improvements. I would like this report not later than Oct. 30, 1970.

"The Department of Defense is the largest employer of civilian personnel in the United States. We must be sure that each person in the Department of Defense, civilian and military, receives equal consideration for employment and for promotion. The Assistant Secretary of Defense (Manpower and Reserve Affairs) must monitor the implementation and operation of the equal employment opportunity programs in the department to assure that the procedures exist to accord fair and impartial treatment to all employes or potential employes. In addition, you should continue to keep me personally informed of potential problem areas and actions to correct them."

Republic Of Vietnam Navy Receives 273 River Patrol Boats From U.S.

Another step in the U.S. Navy's continuing Vietnamization program, ACTOV (Accelerated Turnover To The Vietnamese), was reached June 23 with the turnover of 273 river patrol boats to the Republic of Vietnam Navy.

Signing documents for the official turnover were Secretary of the Navy John H. Chafee and Republic of Vietnam Minister of Defense, Lieutenant General Nguyen Van Vy. Secretary Chafee was in RVN as part of a 10-day tour of Navy commands in the Far East.

Among those present at the signing were Vice Admiral Jerome H. King Jr., Commander U.S. Naval Forces, Vietnam and Commodore Tran Van Chon, Republic of Vietnam Chief of Naval Operations.

The U.S. Navy's ACTOV program was initiated in 1968 and is designed to eventually give the Vietnamese Navy control of all river patrol combat operations.

Commenting on the Navy's Vietnamization efforts, Secretary Chafee said they are "on or ahead of schedule."

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THIS PUBLICATION CONTAINS OFFICIAL INFORMATION, NEWS AND POLICY, DIRECT FROM WASHINGTON AUTHORIZED SOURCES.

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Secretary of Defense Melvin R. Laird talks with young men representing his home state of Wisconsin after addressing the 1970 American Legion Boys' Nation group at the Pentagon. The young men are Mark Scheller (left) of Wauwatosa and David L. Hall of Lacrosse. (DOD Photo).

Secretary Laird Discusses Voting Rights, 'Realities' With Boys' Nation Delegates

American Legion Boys' Nation delegates to Washington, D.C., were reminded by Secretary of Defense Melvin R. Laird July 21 that soon they will be given a privilege accorded to only a relatively few people in this world—the right to vote.

The 100 high school seniors, representing every state, visited the Pentagon for briefings by civilian and military officials.

Secretary Laird told the young men, "Today, more than ever before, we find ourselves confronted with certain basic realities, all of which have a direct bearing on *your* future. How well my generation faces up to these realities will surely affect your future security, your opportunities and your freedom. These realities provide the framework for assessing the major problems and issues that confront us."

The Secretary listed four realities—political, strategic, fiscal, and manpower—and gave an explanation of each.

POLITICAL REALITY—The President has said, "We cannot expect to make every one our friend but we can try to make no one our enemy." In our efforts to bring about a halt to the arms race, we have been hard at work in the Strategic Arms Limitation Talks with the Soviet Union. Thus far, these talks have been very challenging and we continue to hope they will be successful.

In this changing world, we have found that building peace requires patient and continuing communications. I believe that through specific agreements, and the foundation for peace they help establish, we have the chance to arrive at realistic accommodations of conflicting interests. Thus far, the U.S. has ratified the nuclear non-proliferation treaty; we are making progress in arms control of the seabeds and we have intensified our efforts to effect greater burden-sharing by our NATO partners. Current political realities center on the basic political differences between ourselves, the Soviets and the Communist Chinese.

STRATEGIC REALITY—For years we had strategic superiority over the Soviet Union. Today the strategic pendulum is moving in favor of the Soviet Union. Within a few years—if we do not succeed in limiting arms at SALT and do not start a new U.S. build-up—I believe the Soviets will have a strategic edge on the United States. This grim reality requires that we preserve our capability to develop the best weapon systems and maintain the best combination of land, sea and air forces so that no aggressor will ever be tempted to strike us.

FISCAL REALITY—This year, I presented to the Congress a "rock-bottom" transition budget. Any additional reductions in that budget will further strain our ability to deter war, to keep all our commitments and to support the Nixon Doctrine and national military strategy. While the President is proceeding prudently in fiscal matters, the risks to our national security are obviously growing.

MANPOWER REALITY—With the lower Defense budget, manpower cuts become a severe reality. The actions we have taken in Fiscal Year 1970 and 1971 will affect well over a million men and women in the Defense Department and defense industry. Back in 1964, we had 2.7 million men and women in our Armed Forces. Total military personnel appropriations for active and retired personnel at that time amounted to $14.2 billion. In FY 1972, to pay for the same number of people—2.7 million—it will cost us over $29 billion assuming continuing pay raises and progress towards zero draft call.

Secretary Laird pointed out, "Many of the uncertainties we face are intertwined. The solutions to our problems require tough, hard decisions as we try to chart a course toward honorable peace through negotiation, strength and partnership."

He continued, "I believe that you and the youth of our Nation have remarkable opportunities for maintaining the Free World leadership which we have assumed for so many years. Let there be no mistake, the very survival of peace and freedom in this world will continue to be determined by how well each of you assumes his responsibilities as our Nation continues to grow and prosper.

"This Nation learned long ago that weakness is not the way to peace. Your talents and energies will be vital to the growth and strength of the Nation in countless defense and non-defense areas. . . ."

In the area of freedom, Secretary Laird said:

"To vote, as a free man, is perhaps the highest expression of what this Nation of ours is all about. We are lucky to be Americans, but that vote that you are going to inherit didn't just come to us by luck. Men have fought and men have died for it. Men have dedicated their lives to insure that you, here today, will be able to express your will through your power to vote. I ask you to treasure the vote and to use it wisely when the time comes. I ask you never to forget what that vote stands for and the great sacrifices that caused it to be yours."

'Meaningful Communications' With Youth A Key DOD Objective

One of Secretary of Defense Melvin R. Laird's key objectives is the establishment of "meaningful communications" with the Nation's youth.

In addition, the Secretary of Defense told more than 500 young summer interns in Washington, D.C., July 23, that he welcomed greater student participation in the political process.

". . . students can contribute significantly in making our system of government work effectively," he said.

"Serving as you do, in the role of apprentice to members of Congress, students can be of great help in a congressional office," the Secretary added.

He reminded the interns that intelligence, independence of thought, concern for others, and boundless energy were among the attributes they brought to politics.

Discussing the aspects of Defense Department policy that would be of interest to the young interns, Secretary Laird said, "we are doing all we can to plan and implement a program that will reduce draft calls to zero and enable us to establish an all-volunteer force."

Secretary of Defense Melvin R. Laird addresses young summer interns.

In order to shift from the present draft system to an all-volunteer force, Secretary Laird said that a major increase in the Defense budget must be provided by the Congress.

"We must bridge the gap between the pay a young man receives in a civilian job and the comparatively low pay he would receive in the lower three grades in the service," the Secretary said.

Tests Underway Of Helicopters To Assist Civilians In Emergency

Lessons learned in battle may save thousands of lives in the United States annually if a project now underway proves successful.

Basically, the project is a helicopter ambulance service which will provide quick treatment for automobile accident victims and better medical service in remote areas.

Statistics show that traffic accidents took well over 600,000 American lives last year. It is believed many of these deaths could have been prevented had efficient evacuation facilities been available.

Secretary of Defense Melvin R. Laird and Secretary of Transportation John A. Volpe described the program at a joint news conference July 15.

The pilot project, known as MAST (Military Assistance to Safety and Traffic), is being conducted in 10 Texas counties adjacent to San Antonio from July 15 until Dec. 31.

The experiment is in line with the federal role in supporting state efforts to render emergency medical aid to traffic accident victims and in conducting a number of emergency demonstration projects.

Secretary Laird said he believed the project "will have the effect of reducing fatalities and incapacitating injuries resulting from traffic accidents and other emergency situations in areas remote from hospital care."

Fifteen UH-1 "Huey" helicopters from the 507th Medical Air Ambulance Co., Ft. Sam Houston, Tex., are participating in the program.

RESCUE FLIGHT—A Military Aid to Safety and Traffic (MAST) UH-1 helicopter from the 507th Medical Air Ambulance Co. lands at an intersection behind a patrol car from the Bexar County (Texas) Sheriff's Department.

Although the San Antonio project involves the Army, Secretary Laird said the Air Force and Navy are very much involved. So is the Coast Guard. "It so happens," he said, "that (in) this particular project, the Army will be giving the support."

Decision to initiate the program was based on the Departments of Defense and Transportation studies in conjunction with the Departments of Justice and Health, Education and Welfare and other federal, state and local authorities.

The Defense Department said additional programs are being considered for several other sites in the U.S.

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